

ST. JAMES PARISH SHERIFF

Convent, Louisiana

Financial Report

Year Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/10/10

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INDEPENDENT AUDITOR'S REPORT

The Honorable Willy J. Martin, Jr.
St. James Parish Sheriff
Convent, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Sheriff (hereinafter "Sheriff") as of and for the year ended June 30, 2010, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sheriff. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Sheriff as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2010 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The required supplementary information on pages 32 through 34 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express any opinion on it.

The Sheriff has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. James Parish Sheriff's basic financial statements as a whole. The other supplementary information on pages 36 through 42 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year comparative information on the other supplementary information has been derived from the St. James Parish Sheriff's 2009 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 22, 2010

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 6,632,485
Investments	4,536,463
Receivables, net	18,600
Due from other governmental agencies	252,604
Capital assets, net	<u>2,487,538</u>
 TOTAL ASSETS	 <u>13,927,690</u>
LIABILITIES	
Accounts, salaries, and other payables	271,314
Due to other governmental agencies	30,438
Noncurrent liabilities:	
Due within one year	200,000
Due in more than one year	<u>1,471,900</u>
 TOTAL LIABILITIES	 <u>1,973,652</u>
NET ASSETS	
Invested in capital assets	2,287,538
Unrestricted	<u>9,666,500</u>
 TOTAL NET ASSETS	 <u>\$11,954,038</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Activities
Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue And Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Public safety:				
Police	\$9,779,751	\$ 952,082	\$ 349,082	\$ (8,478,587)
Interest on long-term debt	<u>11,988</u>	-	-	<u>(11,988)</u>
Total governmental activities	<u>9,791,739</u>	<u>952,082</u>	<u>349,082</u>	<u>(8,490,575)</u>
Taxes:				
Property, levied for general purposes				8,034,448
State sources:				
Commissions				431,467
Revenue Sharing				148,210
Supplemental pay				361,078
Interest and investment earnings				57,764
Miscellaneous				<u>87,478</u>
Total general revenues				<u>9,120,445</u>
Change in net assets				629,870
Net assets - July 1, 2009				<u>11,324,168</u>
Net assets - June 30, 2010				<u>\$11,954,038</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Balance Sheet - Governmental Fund
June 30, 2010

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 6,632,485
Investments	4,536,463
Receivables -	
Due from other governmental agencies	224,824
Loan receivable - St. James Parish Council	27,780
Other	<u>18,600</u>
Total assets	<u>\$ 11,440,152</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 74,047
Accrued liabilities	197,267
Due to other governmental agencies	<u>30,438</u>
Total liabilities	301,752
Fund balance:	
Unreserved and undesignated	<u>11,138,400</u>
Total liabilities and fund balance	<u>\$ 11,440,152</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2010

Total fund balance for governmental fund at June 30, 2010			\$ 11,138,400
Total net assets reported for governmental activities in the statement of net assets is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land	\$	81,465	
Buildings and improvements other than buildings, net of \$135,927 accumulated depreciation		1,171,862	
Vehicles, net of \$1,061,064 accumulated depreciation		468,536	
Office furniture, net of \$585,316 accumulated depreciation		198,841	
Equipment, net of \$450,742 accumulated depreciation		<u>566,834</u>	
			2,487,538
Long-term liabilities at June 30, 2010:			
Certificates of indebtedness payable		(200,000)	
Net OPEB obligation		<u>(1,471,900)</u>	<u>(1,671,900)</u>
Net assets at June 30, 2010			<u>\$ 11,954,038</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
Year Ended June 30, 2010

	General Fund
Revenues:	
Ad valorem taxes	\$ 8,034,448
Intergovernmental revenues -	
Federal grants	326,859
State grants - state revenue sharing (net)	148,210
State supplemental pay	361,078
Other state grants	22,223
Video poker commissions	431,467
Fees charges and commissions for services -	
Civil and criminal fees	427,512
Feeding, keeping, and transporting prisoners	368,419
Special duty detail	156,151
Interest income	57,764
Miscellaneous	87,478
Total revenues	<u>10,421,609</u>
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	6,373,645
Operating services	947,506
Operations and maintenance	1,218,568
Travel and other charges	19,950
Capital outlay	533,005
Debt service	206,988
Total expenditures	<u>9,299,662</u>
Net change in fund balance	1,121,947
Fund balance, beginning	<u>10,016,453</u>
Fund balance, ending	<u>\$11,138,400</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
Year Ended June 30, 2010

Total net changes in fund balances for the year ended June 30, 2010 per statement of revenues, expenditures and changes in fund balances	\$ 1,121,947
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The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance	\$ 533,005	
Depreciation expense for the year ended June 30, 2010	(398,217)	
Current period dispositions of capital assets, net of accumulated depreciation	<u>(97,906)</u>	36,882

Governmental funds report bonded debt repayments as expenditures.

However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the statement of net assets

195,000

Net OPEB obligation at June 30, 2010 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure

(723,959)

Total changes in net assets for the year ended June 30, 2010 per statement of activities	<u>\$ 629,870</u>
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The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Fiduciary Net Assets
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	<u>\$ 557,707</u>
LIABILITIES	
Liabilities:	
Due to other taxing bodies	\$ 545,856
Due to inmates	<u>11,851</u>
Total liabilities	<u>\$ 557,707</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the St. James Parish Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council (government) as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The governmental fund of the Sheriff is considered to be the major fund. The funds of the Sheriff are described below:

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Fund –

General Fund – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

Fiduciary Funds -

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net assets and does not present a statement of changes in fiduciary net assets. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. Fiduciary funds are presented on an economic resources measurement focus and the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the governmental fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

The amounts reflected in the governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Deferred Revenues

Deferred revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

D. Budgets

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief administrative deputy prepares a proposed budget for the General and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

F. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

G. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

G. Capital Assets (continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives
Buildings	40 years
Improvements other than buildings	10-15 years
Vehicles	5 years
Office furniture	5-10 years
Equipment	5-10 years

H. Compensated Absences

Employees of the Sheriff's office earn from 60 to 144 hours of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned. Employees with 0-6 years of service to the Sheriff earn from 48 to 96 hours of sick leave per year. Sick leave is not compensable if an employee leaves the service of the Sheriff. Sick leave may be accrued up to a total of 1,000 hours. At June 30, 2010, the Sheriff has no leave benefits required to be reported in accordance with generally accepted accounting principles.

I. Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

J. Fund Equity

In the fund financial statements, the governmental fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2010, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$7,190,192, as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Noninterest-bearing deposits	\$ 9,081	\$ 14,650	\$ 23,731
Interest-bearing deposits	<u>6,623,404</u>	<u>543,057</u>	<u>7,166,461</u>
	<u>\$ 6,632,485</u>	<u>\$ 557,707</u>	<u>\$ 7,190,192</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Sheriff or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2010, are secured as follows:

Bank balances	<u>\$7,377,294</u>
Federal deposit insurance	500,000
Pledged securities	<u>6,877,294</u>
Total	<u>\$7,377,294</u>

Pledged securities in the amount of \$6,877,294 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand. The Sheriff does not have a policy for custodial credit risk.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Investments

Investments held at June 30, 2010 consist of \$4,536,463 in the Louisiana Asset Management Pool (LAMP). In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- a. Credit risk: LAMP is rated AAAM by Standard & Poor's.
- b. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- c. Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- d. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- e. Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the Sheriff's position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of St. James Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2010, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 20.96 mills on property with net assessed valuations (after homestead exemption) totaling \$384,547,925.

Total law enforcement taxes levied during 2010 were \$8,060,124.

(5) Receivables and Due From Other Governmental Agencies

Receivables and amounts due from other governmental agencies at June 30, 2010 consist of the following:

	<u>Receivables</u>	<u>Due from Other Governments</u>
Fees, charges, and commissions for services	\$ -	\$ 178,903
Grants	-	45,921
Loan for equipment for Adult Detention Center	-	27,780
Miscellaneous receivables	<u>18,600</u>	<u>-</u>
	<u>\$ 18,600</u>	<u>\$ 252,604</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance 07/01/09	Additions	Deletions	Balance 06/30/10
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 81,465	\$ -	\$ -	\$ 81,465
Other capital assets:				
Buildings	1,263,749	-	-	1,263,749
Improvements other than buildings	41,790	2,250	-	44,040
Vehicles	1,575,312	134,788	180,499	1,529,601
Office furniture	701,721	99,897	17,462	784,156
Equipment	974,016	296,070	252,510	1,017,576
Totals	<u>4,638,053</u>	<u>533,005</u>	<u>450,471</u>	<u>4,720,587</u>
Less: accumulated depreciation				
Buildings	94,782	31,594	-	126,376
Improvements other than buildings	5,706	3,845	-	9,551
Vehicles	1,035,165	203,786	177,887	1,061,064
Office furniture	513,586	80,490	8,760	585,316
Equipment	538,158	78,502	165,918	450,742
Total accumulated depreciation	<u>2,187,397</u>	<u>398,217</u>	<u>352,565</u>	<u>2,233,049</u>
Governmental activities, capital assets, net	<u>\$2,450,656</u>	<u>\$134,788</u>	<u>\$97,906</u>	<u>\$2,487,538</u>

Depreciation expense in the amount of \$398,217 was charged to public safety.

(7) Payables and Due to Other Governmental Agencies

Payables and amounts due to other governmental agencies at June 30, 2010 consist of the following:

	Payables	Due to Other Governments
Accounts payable	\$ 74,047	\$ -
Salaries	184,003	-
Payroll withholdings	13,264	-
Other	-	30,438
	<u>\$271,314</u>	<u>\$30,438</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Long-Term Liabilities

Long-term liabilities outstanding at June 30, 2010 consist of the following:

	<u>Balance 6/30/2010</u>	<u>Due Within One Year</u>
\$1,250,000 Certificates of Indebtedness payable, Series 2004, due in annual installments of \$180,000 - \$200,000 through January 1, 2011; interest at 2.54 percent payable from ad valorem tax revenues.	\$ 200,000	\$ 200,000
OPEB payable	<u>1,471,900</u>	<u>-</u>
Total long-term debt	<u>\$ 1,671,900</u>	<u>\$ 200,000</u>

The following is a summary of long-term liabilities transactions for the year ended June 30, 2010:

	<u>Governmental Activities</u>	
	<u>Certificates</u>	<u>OPEB</u>
Balance, July 1, 2009	\$ 395,000	\$ 747,941
Additions	-	820,772
Reductions	<u>(195,000)</u>	<u>(96,813)</u>
Balance, June 30, 2010	<u>\$ 200,000</u>	<u>\$ 1,471,900</u>

The certificates are due as follows:

	<u>Governmental Activities</u>	
<u>Year ending June 30,</u>	<u>Principal payments</u>	<u>Interest payments</u>
2011	<u>\$ 200,000</u>	<u>\$ 5,080</u>

(9) Post Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Sheriff began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Post Retirement Health Care and Life Insurance Benefits (continued)

Plan Description: Employees who retire under the Sheriff's Pension and Relief Fund are eligible to elect to continue coverage upon retirement. The Sheriff contributes the full cost of the premiums for health, dental and \$10,000 of life insurance for any deputy who, upon retirement, has attained the age of 55 with at least 15 years of service or has retired with 30 years of service at any age. Retirees may choose to continue coverage for their spouse at the retiree's expense. The plan is a multiple-employer defined benefit health care plan administered by BlueCross BlueShield of Louisiana. The Sheriff has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy: The monthly premiums for the retiree benefits are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The Sheriff's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Sheriff utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the Sheriff's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Sheriff's net OPEB obligation:

Annual required contribution	\$ 818,200
Interest on net OPEB obligation	45,826
Adjustment to annual required contribution	<u>(43,254)</u>
Annual OPEB cost (expense)	820,772
Contributions made	<u>(96,813)</u>
Increase in net OPEB obligation	723,959
Net OPEB obligation - beginning of year	<u>747,941</u>
Net OPEB obligation - end of year	<u>\$ 1,471,900</u>

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 834,108	10.30%	\$ 747,941
6/30/2010	\$ 820,772	11.80%	\$ 1,471,900

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Post Retirement Health Care and Life Insurance Benefits (continued)

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the Sheriff has elected to implement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented.

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 7,151,938
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,151,938</u>
Funded ratio (actuarial value of plan assets/AAL)	0%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Sheriff's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because 2009 was the year of implementation of GASB Statement No. 45 and the Sheriff elected to apply the statement prospectively, only two years are presented in the schedule at this time. In future years, required trend data will be presented.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Post Retirement Health Care and Life Insurance Benefits (continued)

In the July 1, 2008 actuarial valuation the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. Retirement Rates - (Rates are the same for both male and female.)

<u>Age</u>	<u>Rate</u>
46 - 49	16.0%
50 - 54	7.0%
55 - 64	16.0%
65	26.0%

3. 100% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement.
4. 85% of members electing coverage are assumed to also elect coverage for a spouse.
5. Per Capita Medical, Pharmacy and Life Benefit Cost

	<u>Medical & Rx</u>	
	<u>Retiree</u>	<u>Retiree & Spouse</u>
Pre-65	\$ 389.09	\$ 710.72
Post-65	\$ 265.41	\$ 465.58

6. Per Capita Dental Benefit Cost

	<u>Medical & Rx</u>	
	<u>Retiree</u>	<u>Retiree & Spouse</u>
Pre-65	\$ 15.88	\$ 24.30
Post-65	\$ 15.88	\$ 24.30

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Post Retirement Health Care and Life Insurance Benefits (continued)

7. Medical Inflation

<u>Year</u>	<u>Trend</u>
2008	7.8%
2009	7.2%
2010	6.3%
2011-2012	5.8%
2013-2016	5.7%
2017-2021	5.6%
2022-2026	5.5%
2027-2031	5.4%
2032	5.3%
2033	5.2%
2034-2035	5.1%
2036-2037	5.0%
2038-2041	4.9%
2042-2046	4.8%
2047-2052	4.7%
2053-2061	4.6%
2062-2074	4.5%
2075	4.4%
2076-2077	4.2%
2078-2084	4.1%
2085	4.0%

8. 100% of active employees will elect life insurance upon retirement.

(10) Pension Plan

Plan Description. Substantially all employees of the Sheriff are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. Benefits are established or amended by state statute.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71220 or by calling (318) 362-3191.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(10) Pension Plan (continued)

Funding Policy: Plan members are required to contribute 10% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. The contribution requirements of plan members and the Sheriff are established and may be amended by state statute. As of July 1, 2005, the Sheriff also pays the members share of the required contribution. The Sheriff's contributions to the retirement system for the years ended June 30, 2010, 2009, and 2008 were \$1,115,962, \$1,125,317, and \$1,023,567, respectively.

(11) Deferred Compensation Plan

Certain employees of the Sheriff participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures related to the Plan are included in the separately issued audit report of the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(12) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others follows:

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund
Balances, June 30, 2009	\$ 35,965	\$ 48,618	\$ 536,214	\$ 7,349
Additions	459,339	44,107,595	1,003,326	59,129
Reductions	(447,571)	(44,132,039)	(1,068,390)	(51,828)
Balances, June 30, 2010	<u>\$ 47,733</u>	<u>\$ 24,174</u>	<u>\$ 471,150</u>	<u>\$ 14,650</u>

(13) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2010, include \$7,048 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

(14) Litigation and Claims

At June 30, 2010, the Sheriff is involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(15) Risk Management

The Sheriff is exposed to risks of loss in the areas of auto liability, professional law enforcement liability, group health and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(16) Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the parish courthouse, as required by statute, is paid by the St. James Parish Council. These expenditures are not included in the accompanying financial statements.

(17) Subsequent Event Review

The Sheriff has evaluated subsequent events through October 1, 2010, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Budgetary Comparison Schedule
Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 7,800,000	\$ 7,800,000	\$ 8,034,448	\$ 234,448
Intergovernmental revenues -				
Federal grants	40,000	360,000	326,859	(33,141)
State grants - state revenue sharing (net)	150,000	148,209	148,210	1
State supplemental pay	310,000	360,500	361,078	578
Other state grants	10,000	20,000	22,223	2,223
Video poker commissions	445,000	415,000	431,467	16,467
Fees charges and commissions for services -				
Civil and criminal fees	491,800	346,910	427,512	80,602
Feeding, keeping, and transporting prisoners	234,150	367,500	368,419	919
Special duty detail	60,000	165,000	156,151	(8,849)
Interest income	105,000	39,568	57,764	18,196
Miscellaneous	60,000	91,070	87,478	(3,592)
Total revenues	<u>9,705,950</u>	<u>10,113,757</u>	<u>10,421,609</u>	<u>307,852</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	6,115,331	6,278,000	6,373,645	(95,645)
Operating services	1,136,250	1,060,783	947,506	113,277
Operations and maintenance	1,168,360	1,173,612	1,218,568	(44,956)
Travel and other charges	14,000	18,000	19,950	(1,950)
Capital outlay	317,500	285,000	533,005	(248,005)
Debt service	197,000	202,500	206,988	(4,488)
Total expenditures	<u>8,948,441</u>	<u>9,017,895</u>	<u>9,299,662</u>	<u>(281,767)</u>
Excess of revenues over expenditures	757,509	1,095,862	1,121,947	26,085
Fund balance, beginning	<u>9,760,797</u>	<u>10,016,453</u>	<u>10,016,453</u>	<u>-</u>
Fund balance, ending	<u>\$10,518,306</u>	<u>\$11,112,315</u>	<u>\$11,138,400</u>	<u>\$ 26,085</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Note to Budgetary Comparison Schedule

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2010

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>Funded Ratio</u>
June 30, 2008	N/A	N/A	N/A	N/A	N/A
June 30, 2009	July 1, 2008	\$ -	\$ 7,151,938	\$ 7,151,938	0.0%
June 30, 2010	July 1, 2008	\$ -	\$ 7,151,938	\$ 7,151,938	0.0%

OTHER SUPPLEMENTARY INFORMATION

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Comparative Statement of Net Assets
June 30, 2010 and 2009

	Governmental Activities	
	2010	2009
ASSETS		
Cash and interest-bearing deposits	\$ 6,632,485	\$ 5,494,372
Investments	4,536,463	4,529,082
Receivables, net	18,600	16,893
Due from other governmental agencies	252,604	245,838
Capital assets, net	<u>2,487,538</u>	<u>2,450,656</u>
TOTAL ASSETS	<u>13,927,690</u>	<u>12,736,841</u>
LIABILITIES		
Accounts, salaries, and other payables	271,314	269,732
Due to other governmental agencies	30,438	-
Noncurrent liabilities:		
Due within one year	200,000	272,038
Due in more than one year	<u>1,471,900</u>	<u>870,903</u>
TOTAL LIABILITIES	<u>1,973,652</u>	<u>1,412,673</u>
NET ASSETS		
Invested in capital assets	2,287,538	2,055,656
Unrestricted	<u>9,666,500</u>	<u>9,268,512</u>
TOTAL NET ASSETS	<u>\$11,954,038</u>	<u>\$11,324,168</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Comparative Balance Sheet
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and interest-bearing deposits	\$ 6,632,485	\$ 5,494,372
Investments	4,536,463	4,529,082
Receivables -		
Due from other governmental agencies	224,824	190,277
Loan receivable - St. James Parish Council	27,780	55,561
Other	<u>18,600</u>	<u>16,893</u>
Total assets	<u>\$ 11,440,152</u>	<u>\$ 10,286,185</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 74,047	\$ 94,720
Accrued liabilities	197,267	175,012
Due to other governmental agencies	<u>30,438</u>	<u>-</u>
Total liabilities	301,752	269,732
Fund balances:		
Unreserved and undesignated	<u>11,138,400</u>	<u>10,016,453</u>
Total liabilities and fund balances	<u>\$ 11,440,152</u>	<u>\$ 10,286,185</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2010
With Comparative Actual Balances for Year Ended June 30, 2009

	2010				
	Budget			Variance with Final Budget	2009
	Original	Final	Actual	Positive (Negative)	Actual
Revenues:					
Ad valorem taxes	\$ 7,800,000	\$ 7,800,000	\$ 8,034,448	\$234,448	\$ 7,820,570
Intergovernmental revenues -					
Federal grants	40,000	360,000	326,859	(33,141)	107,340
State grants - state revenue sharing (net)	150,000	148,209	148,210	1	151,703
State supplemental pay	310,000	360,500	361,078	578	301,672
Other state grants	10,000	20,000	22,223	2,223	-
Video poker commissions	445,000	415,000	431,467	16,467	462,706
Fees charges and commissions for services -					
Civil and criminal fees	491,800	346,910	427,512	80,602	328,999
Feeding, keeping and transporting prisoners	234,150	367,500	368,419	919	371,725
Special duty detail	60,000	165,000	156,151	(8,849)	56,024
Interest income	105,000	39,568	57,764	18,196	132,356
Miscellaneous	60,000	91,070	87,478	(3,592)	76,793
Total revenues	<u>9,705,950</u>	<u>10,113,757</u>	<u>10,421,609</u>	<u>307,852</u>	<u>9,809,888</u>
Expenditures:					
Current -					
Public safety:					
Personal services and related benefits	6,115,331	6,278,000	6,373,645	(95,645)	6,268,828
Operating services	1,136,250	1,060,783	947,506	113,277	944,721
Operations and maintenance	1,168,360	1,173,612	1,218,568	(44,956)	1,209,153
Travel and other charges	14,000	18,000	19,950	(1,950)	15,599
Capital outlay	317,500	285,000	533,005	(248,005)	369,536
Debt service	197,000	202,500	206,988	(4,488)	199,256
Total expenditures	<u>8,948,441</u>	<u>9,017,895</u>	<u>9,299,662</u>	<u>(281,767)</u>	<u>9,007,093</u>
Excess of revenues over expenditures	757,509	1,095,862	1,121,947	26,085	802,795
Fund balance, beginning	<u>9,760,797</u>	<u>10,016,453</u>	<u>10,016,453</u>	<u>-</u>	<u>9,213,658</u>
Fund balance, ending	<u>\$10,518,306</u>	<u>\$11,112,315</u>	<u>\$11,138,400</u>	<u>\$ 26,085</u>	<u>\$10,016,453</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2010
With Comparative Actual Balances for Year Ended June 30, 2009

	2010			Variance with	
	Budget			Final Budget	
	Original	Final	Actual	Positive (Negative)	2009 Actual
Current:					
Public safety -					
Personal services and related benefits:					
Sheriff's salary	\$ 119,165	\$ 127,023	\$ 127,430	\$ (407)	\$ 121,406
Deputies salaries	4,630,000	4,752,725	4,816,876	(64,151)	4,726,376
Other salaries	20,000	30,000	28,475	1,525	22,939
Pension and payroll taxes	1,334,250	1,355,550	1,388,121	(32,571)	1,385,966
Sheriff's expense allowance	11,916	12,702	12,743	(41)	12,141
Total personal services and related benefits	6,115,331	6,278,000	6,373,645	(95,645)	6,268,828
Operating services.					
Hospitalization insurance	740,000	722,000	659,535	62,465	635,908
Dental and vision insurance	34,000	36,000	29,027	6,973	29,415
Auto insurance	235,000	180,000	129,152	50,848	167,196
Other liability insurance	127,250	122,783	129,792	(7,009)	112,202
Total operating services	1,136,250	1,060,783	947,506	113,277	944,721
Operations and maintenance:					
Auto fuel and oil	265,000	220,000	229,228	(9,228)	236,632
Auto maintenance	91,250	81,100	86,339	(5,239)	94,320
Deputy uniforms, supplies, etc.	146,000	179,000	147,452	31,548	105,491
Office supplies and expenses	139,000	188,000	183,130	4,870	191,271
Telephone	90,000	70,000	84,871	(14,871)	102,292
Maintenance contracts and rentals	39,000	43,600	37,466	6,134	32,053
Prisoner feeding and maintenance	195,000	197,000	188,772	8,228	187,207
Professional fees	82,460	91,300	131,997	(40,697)	115,996
Criminal investigation expense	28,000	50,000	46,931	3,069	58,058
Other	92,650	53,612	82,382	(28,770)	85,833
Total operations and maintenance	1,168,360	1,173,612	1,218,568	(44,956)	1,209,153
Travel and other charges	14,000	18,000	19,950	(1,950)	15,599
Capital outlay:					
Vehicles	220,000	3,000	134,788	(131,788)	107,765
Land	-	-	2,250	(2,250)	-
Buildings	12,000	-	-	-	20,379
Equipment	63,500	142,000	144,071	(2,071)	139,066
Computers	12,000	110,000	173,605	(63,605)	82,238
Radios	10,000	30,000	78,291	(48,291)	20,088
Total capital outlay	317,500	285,000	533,005	(248,005)	369,536
Debt service:					
Principal	190,000	195,000	195,000	-	185,000
Interest	7,000	7,500	11,988	(4,488)	14,256
Total debt service	197,000	202,500	206,988	(4,488)	199,256
Total expenditures	\$8,948,441	\$9,017,895	\$9,299,662	\$ (281,767)	\$9,007,093

AGENCY FUNDS

Sheriff's Fund -

Sheriff's Fund - To account for funds held in connection with civil suits, sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund -

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Bond Fund -

To account for the collection of cash bonds and payment of these collections to the eligible recipients in accordance with applicable laws.

Prison Inmate Fund -

To account for the receipts and disbursements made to the individual prison inmate accounts.

ST. JAMES PARISH SHERIFF
Convent, Louisiana
Agency Funds

Combining Balance Sheet
June 30, 2010
With Comparative Totals for June 30, 2009

	Tax			Prison Inmate Fund	Total	
	Sheriff's Fund	Collector Fund	Bond Fund		2010	2009
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 14,650	\$ 14,650	\$ 7,349
Interest-bearing deposits	<u>47,733</u>	<u>24,174</u>	<u>471,150</u>	-	<u>543,057</u>	<u>620,797</u>
Total assets	<u>\$47,733</u>	<u>\$ 24,174</u>	<u>\$471,150</u>	<u>\$ 14,650</u>	<u>\$557,707</u>	<u>\$ 628,146</u>
LIABILITIES						
Due to taxing bodies and others	\$47,733	\$ 24,174	\$471,150	\$ 2,799	\$545,856	\$ 622,743
Due to inmates	-	-	-	<u>11,851</u>	<u>11,851</u>	<u>5,403</u>
Total liabilities	<u>\$47,733</u>	<u>\$ 24,174</u>	<u>\$471,150</u>	<u>\$ 14,650</u>	<u>\$557,707</u>	<u>\$ 628,146</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2010
With Comparative Totals for Year Ended June 30, 2009

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund	Total
	\$ 35,965	\$ 48,618	\$ 536,214	\$ 7,349	2010 2009
Balances, beginning of year					\$ 628,146 \$ 724,038
Additions:					
Deposits -					
Sheriff's sales	151,147	-	-	-	151,147 179,057
Bonds	-	-	146,600	-	146,600 166,015
Fines and costs	-	-	856,440	-	856,440 804,328
Garnishments	257,546	-	-	-	257,546 243,766
Restitutions	50,610	-	-	-	50,610 47,241
Inmates	-	-	-	59,129	59,129 74,899
Taxes, fees, etc. paid to tax collector	-	44,107,595	-	-	44,107,595 42,915,047
Interest on investments	36	-	286	-	322 585
Total additions	459,339	44,107,595	1,003,326	59,129	45,629,389 44,430,938
Total	495,304	44,156,213	1,539,540	66,478	46,257,535 45,154,976
Reductions:					
Taxes, fees, etc. distributed to taxing bodies and others	-	44,132,039	-	-	44,132,039 43,074,373
Deposits settled to -	-	-	-	-	-
Sheriff's General Fund	114,640	-	-	-	114,640 124,301
Clerk of court	18,414	-	-	-	18,414 15,300
Inmates	-	-	-	51,828	51,828 76,134
Litigants	257,037	-	-	-	257,037 308,410
Attorneys, appraisers, etc.	5,700	-	-	-	5,700 8,475
Settlements	-	-	1,068,390	-	1,068,390 870,399
Other reductions	51,780	-	-	-	51,780 49,438
Total reductions	447,571	44,132,039	1,068,390	51,828	45,699,828 44,526,830
Balances, end of year	\$ 47,733	\$ 24,174	\$ 471,150	\$ 14,650	\$ 557,707 \$ 628,146

INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Willy J. Martin, Jr.
St. James Parish Sheriff
Convent, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2010, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated September 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 10-1(IC) to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Sheriff's responses to the findings identified in our audit are described in the accompanying Summary Schedule of Current Year Audit Findings and Corrective Plan. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 22, 2010

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Summary Schedule of Audit Results
Year Ended June 30, 2010

Part I. Summary of Auditor's Results:

An unqualified opinion was issued on the financial statements.

A significant deficiency in internal control was disclosed by the audit of the financial statements and the condition is considered a material weakness.

The audit did not disclose any instances of noncompliance which are material to the financial statements.

A management letter was not issued.

Part II. Findings reported in accordance with Governmental Auditing Standards:

10-1(IC) Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: SAS55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, AU §319.06 defines internal control as follows:

"Internal control is a process – effected by an entity's board of directors, management, and other personnel – designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Part III. Findings and questioned costs reported in accordance with Office of Management and Budget Circular A-133:

Not applicable

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2010

Fiscal Year Finding Initially Occurred		Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/10) --						
<u>Internal Control:</u>						
10-1 (IC)	Unknown	Inadequate segregation of functions within the accounting system.	N/A	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A
PRIOR YEAR (6/30/09) --						
<u>Internal Control:</u>						
09-1 (IC)	Unknown	Inadequate segregation of functions within the accounting system.	N/A	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A